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NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE CONVENTION

FUTURE REVIEW PROCESS, INCLUDING THAT UNDER ARTICLES 7 AND 8 OF THE KYOTO PROTOCOL

Note by the secretariat

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I. INTRODUCTION

A. Mandate

1. At its ninth session, the Subsidiary Body for Implementation (SBI) began the discussion on how the future in-depth review process could be conducted. It further invited Parties to submit, by 1 March 1999, their views on the scope and modalities of the review process for the third national communications, including in-depth reviews, in the context of the Kyoto Protocol. The SBI requested the secretariat to prepare, for consideration at its tenth session, a document containing suggestions for the future review process, taking into account the views of Parties and the relevant requirements of the Kyoto Protocol (FCCC/SBI/1998/7). The present document responds to this request.

2. The Conference of the Parties (COP), at its fourth session, requested its subsidiary bodies to consider the scope, modalities and options for the review process, including the review of annual inventory information, and the need for more thorough consideration of national circumstances and reporting requirements under the Kyoto Protocol, and to report, as appropriate, to the Conference of the Parties, at its fifth session, on any proposed changes, with a view to adopting revised guidelines for the review process at its sixth session (decision 11/CP.4).[1]

3. The COP also decided on the following allocation to the subsidiary bodies of the preparatory work related to Articles 7 and 8 of the Kyoto Protocol for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, referred to below as COP/MOP 1 (decision 8/CP.4, annex I). The two tasks listed below are requested to be completed by COP 6.

Task	Allocation
Guidelines for the preparation of information under Article 7, with respect to both annual inventories and national communications from Annex I Parties	SBSTA, in cooperation with the Subsidiary Body for Implementation (SBI)
Guidelines for the review of implementation by expert review teams under Article 8	SBI, in cooperation with SBSTA

[1] For the full texts of decisions adopted by the Conference of the Parties at its fourth session see document FCCC/CP/1998/16/Add.1.

B. Scope of the note

4. This note outlines possible approaches to the conducting of review of information contained in third national communications from Parties included in Annex I to the Convention (Annex I Parties) due by 30 November 2001 (see decision 11/CP.4), as well as of information to be submitted under Article 7 and to be reviewed under Article 8 of the Kyoto Protocol. Technical aspects of the review of greenhouse gas (GHG) inventory information submitted by Annex I Parties are discussed in detail separately in document FCCC/SBSTA/1999/3.

5. This note presents possible options for the review process in line with the suggested work on the methodological issues contained in document FCCC/SB/1999/2 to ensure that further development and refinement of the review process proceed in step and are coordinated with the methodological work (see annex to this note).

6. The note is based on the views and submissions of Parties related to the revision of the guidelines for the preparation of third national communications by Annex I Parties, the scope of the third national communications and the future review process (FCCC/SB/1999/MISC.2), as well as on the experience of the secretariat with the in-depth review process.

C. Possible action by the SBI

7. The SBI may wish to consider this note taking into account document FCCC/SB/1999/2, which contains the proposed work programme on methodological issues related to Articles 5, 7 and 8 of the Kyoto Protocol, and document FCCC/SBSTA/1999/3 on the technical elements of the review process related to GHG inventories under the Convention.

8. The SBI may wish to provide guidance to the secretariat on the continuation of the work related to review, in particular, taking into account paragraph 3 of decision 11/CP.4 (referred to in paragraph 2 above), with a view to recommending a decision on the guidelines for the review process for adoption at COP 6. It may also wish to provide guidance to the secretariat on the conducting of work related to the development of the guidelines for the review of implementation by expert review teams under Article 8, as requested by decision 8/CP.4 (annex II), with a view to recommending a decision for adoption at COP 6.

9. The SBI, taking into account the advice of the SBSTA, may wish to consider the institutional aspects of a technical review of the inventory data of Annex I Parties suggested in document FCCC/SBSTA/1999/3, including the timing of such a review, with a view to an early start of a test period.

II. OPTIONS FOR THE FUTURE REVIEW PROCESS

A. Background

10. At present there are no "guidelines" *per se* governing the conducting of in-depth reviews of national communications from Annex I Parties. Reviews of both first and second national communications have been, and still are, being conducted on the basis of the general guidance provided by Parties in decision 2/CP.1[2] and reiterated in decision 9/CP.2.[3] Decision 2/CP.1 stipulated that "the review should provide a thorough and comprehensive technical assessment of the implementation of the Convention commitments by individual Annex I Parties and Annex I Parties as a whole. Its purpose is to review, in a facilitative, non-confrontational, open and transparent manner, the information contained in the communications from Annex I Parties to ensure that the Conference of the Parties has accurate, consistent and relevant information at its disposal to assist in carrying out its responsibilities".

11. While this general mandate remains valid, the rapid evolution of the Convention process, in particular the adoption of the Kyoto Protocol, requires certain modifications and adjustments to the review process, as reflected in decision 11/CP.4. The views communicated by Parties in response to the request of the SBI at its ninth session confirm the need for specific guidelines for the review process that would take into account recent developments, the requirements of the Kyoto Protocol and the experience gained by both Parties and the secretariat.

B. Summary of views by Parties

12. It is clear from the views expressed by Parties in their submissions, as well as by the participants of workshops related to the revision of the guidelines for national communications from Annex I Parties,[4] that the future review is seen as comprising two related but distinct parts: technical review of inventory information and review of non-inventory information contained in national communications. In what follows, it is assumed that the two review processes will develop in parallel, mutually supporting each other, and building on existing and future experience.

13. According to the views expressed by Parties, and reflected in relevant decisions of the COP and conclusions of the subsidiary bodies, as well as in their submissions, the current in-depth review process has proved to be a useful and constructive exercise, and it is seen as an

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[2] For the full texts of decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1995/7/Add.1.

[3] For the full texts of decisions adopted by the Conference of the Parties at its second session, see document FCCC/CP/1996/15/Add.1.

[4] See documents FCCC/SB/1999/1 and FCCC/SBSTA/1999/INF.1.

integral part of the process of the implementation of the Convention. Under the Kyoto Protocol the review of information becomes one of the crucial elements of establishing compliance with legally binding commitments. Careful consideration of possible approaches to the conducting of reviews is therefore necessary, taking into account a wide range of institutional, methodological and technical issues.

14. Parties see a future review process as a smooth and logical extension of the present procedures developed by the COP for the purposes of monitoring progress in the implementation of the Convention. They suggest a step-by-step incremental approach, which would take into account experience with the in-depth reviews and build on it. Parties also see further development of review procedures as an iterative process, which would comprise a number of steps, including consecutive revisions of the guidelines for the preparation of national communications and annual GHG inventories on the basis of feedback received during the reviews, and adaptation of the review process to the increasingly stringent reporting and verification requirements reflected in the reporting guidelines.

15. Parties have clearly expressed the view that the review process under the Convention should be enhanced in anticipation of the forthcoming legally binding commitments under the Kyoto Protocol. This note thus attempts to suggest some possible options for further development of the review process.

C. Suggested approaches

1. Required guidelines and information support

16. A reliable and transparent review process can only be based on clear and adequate guidance provided by Parties. In the period between the tenth session of the subsidiary bodies and COP 6, two guidelines related to the review process need to be developed, namely the guidelines for the review process (decision 11/CP.4, paragraph 3) and the guidelines for the review of implementation by expert review teams under Article 8 (decision 8/CP.4, annex II). Key methodological activities leading to the development of these guidelines are listed in the annex to document FCCC/SB/1999/2.

17. It is suggested that general guidance for the conducting of a technical review of inventory information, including by the expert review teams, be agreed in principle at COP 5 subject to adoption at the same session of Part I (inventory) of the revised guidelines for the preparation of national communications. This would allow a process of technical review of national inventory information to be initiated with the assistance of experts, in the year 2000, as suggested in document FCCC/SBSTA/1999/3.

18. Full guidelines for the review of implementation by expert review teams under Article 8 could then be developed for adoption at COP 6 (as requested in decision 8/CP.4) taking into account the experience gained during this preliminary technical review. These guidelines would

be used for conducting reviews of the third national communications from Annex I Parties and they would be further revised at later stages in accordance with the reporting and review requirements of the Kyoto Protocol.

19. A suggested list of activities related to the review process is presented in the annex to this note. Information in the annex is based on the proposed programme budget for the biennium 2000-2001, as contained in document FCCC/SBI/1999/4 and Add.1.

20. Detailed annual technical assessments of inventory data and related information submitted by Annex I Parties would require thorough preparations. In particular, a specialized web-enabled information system will need to be developed that is directly accessible to Parties. This system must have the capacity to both process and store data, such as emission factors and activity data, as well as to provide textual information related to national methodologies. Implementation will require a task team that brings together inventory experts, supplemented when required by experts nominated by Parties, and information technology specialists.

2. Conducting of inventory reviews

21. Technical aspects of the inventory review process are discussed in document FCCC/SBSTA/1999/3. Institutional aspects of the review of inventory data, such as composition of the review teams, procedures for their selection and duration of the review could be specified in the guidelines for the review process at COP 6 on the basis of the experience gained during the test period. At that time, specific suggestions could be provided on the ways to enhance the knowledge of the experts participating in the review teams, for example, establishing possible orientation courses or certification procedures for the experts, with a view to further raising the standards of the process.

3. Future in-depth reviews

22. In-depth reviews of third national communications from Annex I Parties could start in mid-2002, about six months after the submission of communications (to allow for the necessary preparations, including consulting with Parties on the schedule, updating the list of government nominated experts and selecting the teams). The bulk of the methodological work would have been finished by that time, including work on the national systems under Article 5.1, on the preparation of information under Article 7, on the scope, modalities and options for the review process, and last but not least, on the procedures and mechanisms relating to compliance.

23. Thematic or sectoral reviews could also be conducted and corresponding documentation and/or brief compilation and synthesis reports published in this period if Annex I Parties decide to provide interim reports on specific issues, as suggested in decision 11/CP.4. The feasibility of this interim reporting needs to be explored in more detail, and a decision on this issue would need to be taken, probably no later than at COP 5.

24. The post-COP 6 period could be used to test the functioning of expert review teams on the basis of the guidelines to be adopted in accordance with decision 8/CP.4. The results of the in-depth reviews conducted in that period would then provide feedback to the continuous work on the improvement of the quality of the inventory and other information contained in the national communications and would also allow the fine tuning of the functioning of the review teams.

25. The design of the evolving process of the in-depth reviews should be consistent with the eventual entry into force of the Kyoto Protocol and of its provisions regarding the communication and review of information and compliance (Articles 7, 8 and 18).

4. Programme budget implications

26. When deciding on a future, post-COP 6, review process, Parties will need to take into account the budgetary implications. Following COP 6, the review process most probably would be expanded and strengthened. If Parties were to agree to a thorough annual technical analysis of the inventory data submitted by each Annex I Party, considerable financial and human resources would be required for the biennium 2002-2003 in addition to those required for in-depth review of other information contained in national communications. The establishment of an information system and measures to upgrade the expertise available for review teams (see paragraphs 20 and 21 above) would also require additional resources.

27. The volume and cost of work related to reviews would in part depend on how the verification of commitments will be defined and structured in the context of procedures and mechanisms related to compliance to be established under Article 18 of the Kyoto Protocol. In certain circumstances, the review teams may be required to take active part in the verification process, processing and analysing substantial amounts of information. Other options may be less resource intensive.

Annex

LIST OF ACTIVITIES

Period	Review related work	Expected results
SBI 10 SBSTA 10	Consideration of the scope, modalities and options for the review process, including the review of annual inventory information.	Guidance is provided to the secretariat on the continuation of the work related to review.
Up to SBI 11 SBSTA 11 COP 5	Carry out the remaining in-depth reviews of the second national communications from Annex I Parties with a focus on inventory data and basic information related to their collection.	Corresponding in-depth review reports are published. Report on any changes proposed to the review process is prepared for consideration at COP 5 if so requested by the subsidiary bodies at their tenth sessions.
	Preparation of a report on 'best practices' in policies and measures for consideration at SBSTA 11.	A report on 'best practices' is prepared based on Annex I Party national communications and their reviews and additional information submitted by Parties by 15 August 1999.
SBI 11 SBSTA 11 COP 5	Consideration of the scope, modalities and options for the review process, including the review of annual inventory information (continued from SBI 10/SBSTA 10).	Any changes proposed to the review process to be considered at COP 5 with a view to adopting the guidelines for the review process at COP 6. A test period for the technical reviews is launched.
	Consideration of the report on 'best practices' in policies and measures by SBSTA.	Guidance is provided to both Parties and the secretariat on the ways of strengthening the sharing of experience and exchange of information on policies and measures.
	Consideration of the issues related to interim reporting.	Guidance is provided on the feasibility of interim reporting.
Up to SBI 12 SBSTA 12	Finalizing pending in-depth review reports on second national communications from Annex I Parties.	Reports on in-depth reviews of second national communications are made available to Parties. End of the second round of in-depth reviews.
	Preparations for the test period of a technical review of Annex I Parties inventory data, including development of required software tools such as databases, forms for electronic reporting, etc.	This preparatory work would allow conducting technical reviews of the inventory information submitted in 2000.
	Workshop on 'best practices' in policies and measures (tentatively April 2000).	The results of the workshop are forwarded to SBSTA 12 with a view to preparing relevant recommendations for consideration at COP 6.

SBI 12 SBSTA 12	Consideration of the results and experience with the second round of in-depth reviews.	Results of the second round of in-depth reviews are taken into account and guidance is provided to the secretariat with a view to finalizing work related to the development of guidelines for the review process and of guidelines for the review of implementation by expert review teams under Article 8 of the Kyoto Protocol for adoption at COP 6.
Up to SBI 13 SBSTA 13 COP 6	Start of a test period for a technical review of Annex I Parties inventory data (extends into 2001).	Relevant information on the experience with the technical review is made available to Parties.
SBI 13 SBSTA 13 COP 6	Consideration of the preliminary results of the technical reviews of inventories. Consideration of the results of a workshop on 'best practices' in policies and measures.	Relevant adjustments are introduced into the respective guidelines, namely for national systems, for the review process and for expert review teams. Recommendations are formulated on the continuation of this work.
Post-COP 6	In-depth reviews of third national communications from Annex I Parties due in November 2001, including technical reviews of inventories, are conducted. In-depth reviews of future communications are conducted taking into account requirements of the Kyoto Protocol.	Reports on in-depth reviews are made available to Parties. Functioning of expert review teams is tested. Adequacy of supplementary information to be submitted under Articles 7.1 and 7.2 of the Kyoto Protocol is assessed. Information on whether Annex I Parties have made demonstrable progress in achieving their commitment under the Kyoto Protocol is made available to Parties. Test phase of reviewing compliance prior to the first commitment period is initiated.

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